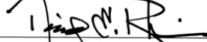


SO ORDERED




DAVID E. RICE
U. S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
at Baltimore**

In re: Case No.: **16-19745 – DER** Chapter: **11**

**Novation Companies, Inc., et
al., Debtors.**

**ORDER APPROVING DISCLOSURE STATEMENT
SETTING HEARING ON CONFIRMATION OF PLAN
AND FIXING TIME FOR FILING ACCEPTANCES OR REJECTIONS OF PLAN
COMBINED WITH NOTICE THEREOF**

A First Amended Disclosure Statement under Chapter 11 of the Bankruptcy Code having been filed Novation Companies, Inc. and NovaStar Mortgage LLC (the 'Plan Sponsor') on April 10, 2017, referring to a Plan under Chapter 11 of the Code filed by said party on April 4, 2017, and it having been determined after hearing on notice that the Disclosure Statement contains adequate information:

IT IS ORDERED, and notice is hereby given, that:

A. The Disclosure Statement is approved.

B. May 22, 2017, is fixed as the last day of filing written acceptances or rejections of the Plan referred to above. Acceptances and rejections should be filed with the attorney for the Plan Sponsor at the address below.

C. Within 7 days after the entry of this Order, the Plan Sponsor shall transmit this Order, the Plan, the Disclosure Statement, and a ballot conforming to Official Form 314 to creditors, equity security holders, other parties in interest, and the United States Trustee, as provided in Federal Bankruptcy Rule 3017(d) and this court's Order Approving Motion to Establish Solicitation and Voting Procedures with Respect to Plan Confirmation entered contemporaneously herewith. Counsel for the Plan Sponsor shall file a certificate of service.

D. May 31, 2017 at 10:00 A.M. is fixed for the hearing on confirmation of the Plan to take place in Courtroom 9D of the U.S. Bankruptcy Court, U.S. Courthouse, 101 West Lombard Street, Baltimore, Maryland 21201.

E. May 24, 2017, is fixed as the last day for filing and serving written objections to confirmation of the Plan.

cc: U.S. Trustee

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End of Order

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